

ADM-13.05, "Capital Improvements," October 1, 2009

SCDC POLICY/PROCEDURE

NUMBER:ADM-13.05

TITLE:CAPITAL IMPROVEMENTS

ISSUE DATE: OCTOBER 1, 2009

RESPONSIBLE AUTHORITY: DIRECTOR OFFICE OF BUDGET AND RESOURCE MANAGEMENT

OPERATIONS MANUAL:ADMINISTRATION

SUPERSEDES: ADM-13.05 (October 1, 2006); (September 1, 2000); Change 1 (December 1, 2001)

RELEVANT SCDC FORMS/SUPPLIES: 20-42, 21-20

ACA/CAC STANDARDS:4-4038

STATE/FEDERAL STATUTES:

PURPOSE: To ensure that the Capital Improvements Program is conducted in accordance with pertinent statutes and regulations, with the needs of the South Carolina Department of Corrections, and with the Five Year Capital Improvements Plan; to define and establish responsibilities for the development of plans, programs, management, and review of Agency Capital Improvements functions; and to provide guidelines and procedures for the selection of architectural/engineering firms to perform professional services for the Agency.

POLICY STATEMENT: All Capital Improvement projects in the South Carolina Department of Corrections will be coordinated with and monitored by the Division of Facilities Management and will comply with all pertinent state and federal standards, statutes, and regulations; State Budget and Control Board guidelines; and established policies/procedures of the department.

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SPECIFIC PROCEDURES:

1. CAPITAL IMPROVEMENTS CONSTRUCTION PROGRAM:

1.1 All Agency construction projects involving the expenditure of Capital Improvements funds will be managed by the Division Director of Facilities Management in accordance with specific procedures listed herein as well as all other approved South Carolina Department of Corrections policies/procedures.

1.2 The Division Director of Facilities Management or designee will be:

- the liaison for the Agency with all architects, engineers, contractors, and the State Engineer;
- responsible for the preparation, coordination, and submission of the appropriate portions of Form A-1 and for all SE forms related to projects;
- responsible for the management and development of an expenditures program based on the draw schedule for each approved project. (It will be his/her responsibility to ensure that the approved expenditure level for each program is not exceeded.)

- will submit a monthly report showing the status of Capital Improvements Projects

1.3 The expenditure of funds for construction materials and other purposes required for approved Capital Improvements Projects will be in compliance with SCDC Policy/Procedure ADM-12.01, "Procurement of Commodities and Services." The Division of Facilities Management will have a purchasing agent to perform all purchasing functions for the division in compliance with SCDC Policy/Procedure ADM-12.01. (4-4038)

1.4 The Division Director of Classification and Inmate Records will assist the Division of Facilities Management by establishing and maintaining the skilled inmate labor forces necessary for the efficient and timely completion of the projects.

1.5 The preparation, approvals, submission, and distribution of "A" and "SE" forms for capital improvement bond funds will be in accordance with the "Manual for Planning and Execution of State Permanent Improvements (Parts I and II)" and current SCDC policies/procedures.

1.6 Any requested revision of a project budget or scope must be submitted on a SPIRS Form A-1 in accordance with Act 518 of 1980, 30.02, and approved by the appropriate entity of the Budget and Control Board.

1. All "A" forms that are prepared for submission to the Joint Bond Review Committee and Budget and Control Board will be completed in final form by the Director of the Office of Budget Resource Management prior to their submission to said offices for approval.

1.8 After approval by the Director of the Office of Budget Resource Management , all "A" forms will be routed to the Agency Director for final approval.

1.9 A copy of all "A" forms will be sent to the Division Director of Facilities Management at the time of submission and upon receipt of the action taken.

1.10 The principal form for capital improvements is the SPIRS A-1 Form: Budget and Control Board Permanent Improvement Project Request.

1.10.1 Permanent improvements are defined as:

- any acquisition of land regardless of cost;
- any acquisition (as opposed to the construction) of buildings or other structures regardless of cost;
- construction of additional facilities and any work on existing facilities including their renovation, repair, alteration, or demolition in those instances which the total cost of all work involved is \$100,000 or more; and
- architectural and engineering and other types of planning and design work, regardless of cost, which is intended to result in a permanent improvement. (Such project must have a SPIRS A-1 Form completed. This A-1 form must be approved by the Joint Bond Review Committee and by the Budget and Control Board before establishment of a project.)

1.11 Those projects of minor construction (which also include renovations and alterations) that cost less than \$100,000 are not subject to Budget and Control Board or Joint Bond Review Committee approval except projects funded with Appropriated funds. These projects must be approved by the State Engineer's Office as prescribed in the S.C. Code of Laws, 1976, as amended, and the Capital Improvements office staff. An A-1 Form must be submitted on projects funded with Appropriated funds, regardless of cost.

2. CAPITAL IMPROVEMENTS PLANNING, PROGRAMMING, MANAGEMENT, AND REVIEW:

2.1 The Capital Improvements Coordinating Committee will be comprised of the following:

- Director of the Office of Budget and Resource Management
- Director of Operations/Designee
- Director of Programs and Services
- Division Director of Facilities Management
- Division Director of Occupational Safety & Workers' Compensation
- Division Director of Resource and Information Management
- Division Director of Compliance, Standards and Inspections
- Assistant Division Director of Facilities Management
- Accountant, Capital Improvements

2.2 The Capital Improvements Coordinating Committee will:

- meet on call of the Director, Office of Budget and Resource Management;
- review project status, expenditures, and balances, and allocate resources as necessary; and
- approve permanent improvement plans, programs, and projects prior to submission to the Budget and Control Board.

2.3 The Director of the Office of Budget and Resource Management will monitor SCDC's accounting and financial activities associated with Capital Improvements. In this capacity, s/he will be directly responsible to the Director to whom s/he will transmit appropriate status reports and other information pertaining to this subject.

2.4 Capital Improvements funds will be managed in accordance with state and federal law, the Budget and Control Board/Joint Bond Review Committee regulations, SCDC policies/procedures, and sound accounting principles.

2.5 The funds allocated by the Joint Bond Review Committee/Budget and Control Board will be based on the periodic draw schedules.

3. FIVE-YEAR PERMANENT IMPROVEMENT PLAN:

3.1 The Director of the Office of Budget and Resource Management will develop and coordinate a five-year plan and will ensure that it is submitted to the Budget and Control Board as required.

3.2 This plan is the basis for Capital Improvement funding and therefore is a critical part of the overall improvement process. Each staff element is responsible for developing the projects within its area of responsibility. A complete description and valid justification for each project will be submitted as required by the Planning Memorandum, which will be published in March of the year the Plan is to be updated.

3.3 The total amount of funds authorized for any project will not be exceeded.

4. ANNUAL PROGRAM: The Annual Permanent Improvement Program will be submitted to the Budget and Control Board no later than June 15 of each year. The Director of the Office of Budget and Resource Management will coordinate and finalize all documents and materials as set forth by the Budget and Control Board. The program will be submitted to the Agency Director for approval.

5.PROJECT EXPENDITURES AND FUNDING:

5.1 The Division Director of Facilities Management will be responsible for the applicable functions delineated in Procedure 1, except for those activities specifically contained in this section.

5.2 The project will be approved by the Budget and Control Board. The Division Director of Facilities Management will develop the expenditure program UCI breakdown cost estimate for the project. Based on this program and reports furnished by the Director, Office of Budget and Resource Management, the Division Director of Facilities Management will ensure that approved expenditures and allocations are not exceeded.

5.3 The project expenditures program will be forwarded to the Office of Budget and Resource Management for budget input and will then be forwarded to the Accountant, Capital Improvements, who will set up cost codes and will monitor expenditures by category.

5.4 For each project contained in the Annual Program or the Five-Year Plan, cost figures will be developed by the Division Director of Facilities Management and submitted to the Office of Budget and Resource Management for inclusion in the appropriate project request form. Operating fund figures will be provided by the Office of Budget and Resource Management.

6. EQUIPMENT LIST - NEW FACILITIES: Basic furniture and fixtures (non-fixed items) list for new facilities will be developed by a designee from the Division of Operations. The Division of Operations will ensure that the approved equipment requirements are submitted to the Chief, Purchasing Branch, with sufficient lead time to permit processing, procurement, and delivery on the date the items are required. The Chief, Purchasing Branch, will advise the designee from the Division of Operations of the time factors to be followed.

7.PRIMARY SCDC CONTACT WITH STAFF AT STATE LEVEL:

- Director, Office of Budget and Resource Management: State Treasurer's Office and Comptroller General's Office;
- Division Director of Facilities Management or designee: State Engineer;

•Director of the Office of Budget and Resource Management: Joint Bond Review Committee and Budget and Control Board.

8. ACCOUNTING:

8.1 The periodic allocations for drawing of capital improvement bond funds will not be exceeded without prior written authorization by the Director of the Office of Budget and Resource Management, who will ensure that necessary authorizations have been obtained from the Budget and Control Board, Joint Bond Review Committee, and State Treasurer before giving approval to exceed the allocated draw.

8.2 Proposed modification or expansion of contracts relating to capital improvement bond funds will be approved by the Agency Director and reviewed by the Director of the Office of Budget and Resource Management for funding availability. Changes requiring Budget and Control Board/Joint Bond Review Committee approval will be submitted through the Director of the Office of Budget and Resource Management prior to submission to the Agency Director for his signature.

8.3 The procedures for payment of bond funds by Accounts Payable will be subject to the controls previously set forth.

8.4 The Accountant, Capital Improvements, will prepare a monthly report showing balances remaining for each project, and will provide encumbrances for each on-going project which will become an integral part of the aforementioned report.

8.5 The Director, Office of Budget and Resource Management, will provide reports as required to the Budget and Control Board, Joint Bond Review Committee, and State Treasurer's Office, and to the Division Director of Facilities Management .

8.6 The Division of Resource and Information Management, will provide the Division Director of Facilities Management and the Director, Office of Budget and Resource Management with technical, administrative, and automated support necessary to accomplish the above activities and to ensure the ongoing and efficient management of the Capital Improvements Program.

9. REPORTS:

9.1 The Assistant Division Director of Facilities Management will prepare a monthly report on the status of all on-going projects which will include an estimated completion schedule.

9.2 The Accountant, Capital Improvements, will be responsible for Monthly Reports of Expenditures for Permanent Improvements.

9.3 The Director, Office of Budget and Resource Management, will be responsible for financial reports as specified by the Budget and Control Board.

9.4 The Division Director of Resource and Information Management will supply a monthly report of outstanding purchase orders and expenditures, by project, to the Accountant, Capital Improvements.

9.5 Special reports requested by the Budget and Control Board/Joint Board Review Committee will be coordinated and/or prepared by the Division of Budget and Finance.

10. PURCHASING PROCEDURES:

10.1 No purchasing transaction will be initiated until the appropriate A-Form has been approved by the Budget and Control Board.

10.2 Items of basic equipment will not be requisitioned until necessary approvals have been obtained and a copy of the approved basic equipment list, approved by the Agency Director, has been received by the Purchasing Branch.

10.3 Purchase Requisitions/Purchase Orders will include information required to maintain an accurate record of the project concerned, to include project number and item category.

10.4 Purchase requisitions will be initiated in sufficient lead time to permit processing, procurement, and delivery by the date that the goods or services are required.

10.5 Pre-numbered computerized purchase order forms will not be issued or used in connection with the expenditure of capital improvement bond funds, except for emergencies when the CRT is not available or is inoperable.

10.6 The Division of Facilities Management will use procedures for requisitioning goods and services as outlined in 10.7 and 10.8, below, and in accordance with SCDC Policy/Procedure ADM-12.01, "Procurement of Commodities and Services."

10.7 "H" Purchase Order System: The Division of Facilities Management will:

- complete SCDC Form 21-20, "Requisition/Record";
- enter request into CRT and record "H" Purchase Order number assigned on Form 21-20;
- maintain Form 21-20 for record purposes and matching up with requisitioner's copy of purchase order when received; and
- when goods or services are received from vendor, make entry into CRT for receiving purposes.

10.8 Pre-numbered computerized purchase order system: (To be used only if CRT is not available.) The Division of Facilities Management will:

- complete SCDC Form 21-20, "Requisition/Record";
- submit Form 21-20 (original) to the Procurement Officer who issued the pre-numbered purchase order;

- maintain copies of Form 21-20 for record purposes and comparison with requisitioner's copy of purchase order;
- upon receipt of goods or services, complete SCDC Form 20-42, "Receiving Report"; and
- submit Form 20-42 to the receiving section of the Division of Construction and Maintenance for entry into CRT.

10.9 Repairs chargeable to Capital Improvement Bond Funds (construction equipment) will be processed as follows:

- When emergency repairs are required: the Purchasing Agent, Division of Facilities Management should be contacted for a purchase order number for the work to be done;
- Acquire bids based on the dollar amount of the lowest responsive bidder unless services are under contract;
- Submit completed SCDC Form 21-20, "Requisition/Record," along with a priced delivery ticket or invoice from the vendor;
- Submit SCDC Form 20-42, "Receiving Report," together with a copy of the delivery ticket to the receiving section of the Division of Facilities Management.

10.10 Institutions will obtain approval from Purchasing, Division of Facilities Management, and RIM to requisition basic equipment.

10.10.1 Each item requisitioned will be identical as to the item number listed on the basic equipment list.

10.10.2 The institution will forward a copy of the issued purchase order to the Division of Facilities Management.

10.10.3 The institution will enter receipt of all basic equipment procurements into the Automated System (CRT).

10.10.4 The packing slip/SCDC Form 20-42, "Receiving Report," will be attached behind the SCDC Form 21-20.

10.10.5 The institution and/or division will ensure that the quantities listed on the approved SE515, "Basic Equipment List," are not exceeded.

10.10.6 The institution will not exceed the total dollar amount listed on the Approved SE515, "Basic Equipment List."

11. SELECTION OF ARCHITECTURAL/ENGINEERING FIRMS: This process will follow applicable procedures delineated in the "Manual for Planning and Execution of State Permanent Improvements," Part II, and includes the following:

11.1 The Division Director of Facilities Management or designee will prepare a recommended selection committee of at least five (5) but not more than seven (7) voting committee members to the Agency Director. One voting member may be an outside agency representative who has relevant expertise. A representative from the State Engineer's Office will be a non-voting member. (4-4038)

11.2 PROJECT ADVERTISEMENT:

11.2.1 The A/E Agency Selection Committee or designee will develop a description of the proposed project that explains all required professional services for the project, and will prepare a formal invitation (Form SE-210, "Invitation of Professional Services") for submission of information by firms.

11.3 SCREENING PROCESS: Each Selection Committee member must sign a SE 214, "Conflict of Interest and Confidentiality of Information Certification."

11.3.1 Upon receipt of Federal Standard Forms 254 and 255, the Selection Committee will meet and evaluate all information available and select at least five (5) firms deemed most qualified to be interviewed for final ranking. If five (5) or less firms respond to the advertisement, the Selection Committee will then interview all firms which made submissions. (4-4038)

11.3.2 The Chairman of the Selection Committee will maintain a file to document the Committee's selection of the firms to be interviewed. The Selection Committee may seek additional information from references prior to the interviews.

11.4 SELECTION PROCESS: The Agency Selection Committee will schedule interviews with "Short-Listed" firms as soon as practical after the screening process is completed. (4-4038)

11.4.1 The purpose of the interviews will be to provide further information to fully acquaint the Selection Committee with relative qualifications of the firms. Each firm will be evaluated solely on the following criteria:

- Past performance;
- The ability of professional personnel;
- Demonstrated ability to meet time and budget requirements;
- Location of firm;
- Recent, current, and projected workload of the firm;
- Related experiences on similar projects; and
- Creativity and insight related to the project.

11.4.2 Following the interviews, numerical evaluation, and ranking, the Selection Committee Chairperson or designee will submit a written report to the Agency Director for approval. This report will include a list of the interviewed firms in priority order and the data substantiating the Committee's determinations.

11.5 NEGOTIATION PROCESS: The Division Director of Facilities Management or designee, as the Agency's representative, along with any persons the Agency Director designates to assist, will negotiate a contract for the advertised services at a compensation which is fair and reasonable to the state and to the firm(s) selected as most qualified by the Agency Selection Committee. A representative of the State Engineer's staff will be invited to attend negotiations.

11.6 A/E APPROVALS:

11.6.1 The Agency will not execute the contract nor authorize the A/E to begin work until the SE 220 has been approved by the State Engineer.

11.6.2 The Agency will maintain in its procurement file a copy of all information provided to the State Engineer, as well as the resumes including the Federal Standard Forms 254 and 255 of the person(s) or

firm(s) with whom the Agency executes a contract.

11.6.3 The Agency will keep the submissions of the persons or firms that submitted for at least 30 days after the contract(s) is/are executed.

12. DEFINITIONS: NONE

SIGNATURE ON FILE

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Jon Ozmint, Director

ORIGINAL SIGNED COPY MAINTAINED IN THE DIVISION OF POLICY DEVELOPMENT.